observed that it has contributed to the de-skilling of the weavers by producing cloth of low unit value and therefore, recommended for phasing out of the scheme. The Government after examining the recommendations of this Committee, introduced package-II under Janata Cloth Scheme in the year 1993-94 with the objective of enabling handloom weavers to graduate to production of higher value textile goods and to provide alternate employment to handloom weavers displaced on account of phasing out of Janata Cloth Scheme and also decided to phase out the scheme by 1996-97. The Government, however, extended the scheme for the year 1997-98 so as to facilitate the transition.

(c) and (d) Consequent to gradual phasing out of Janata Cloth Scheme, the Government introduced two major developmental schemes-the Project Package Scheme w.e.f. 1991-92 and the Handloom Development Centre Scheme w.e.f. 1993-94 to provide critical support in an integrated and coordinated manner to the handloom weavers, including the marketing support for sale of all their products to the people, including those below the poverty line.

Jute Industry

1859. SHRI O. RAJAGOPAL:
PROF. VIJAY KUMAR MALHOTRA:

Will the Minister of TEXTILES be pleased to state:

(a) whether Government's attention has been drawn to the newsitem captioned "Jute Industry is in deep trouble";

(b) if so, the details in this regard; and

(c) the steps taken by Government in this regards

THE MINISTER OF TEXTI' (SHRI KASHIRAM RANA): (a) to The scenario of the Jute Industry ha turned out to be most favourable during the last two years. Both during 1997-98 and 1998-99 seasons, the raw jute supply position has been comfortable at reasonable prices. As a result jute industry has faced no problem to maximise production of jute goods to cope up with the huge demand.

A number of steps have been taken by the Government for promotion of jute industry which, inter-alia, include enactment of Jute Packaging Materials (Compulsory use in Packing Commodities) Act, 1987 and issue of statutory reservation orders thereunder from time to time; abolition of excise duty on all items of jute products from 1st March 1997; continuation of policy regarding purchase of jute bags from mills for Government procurement agencies on cost-plus prices; implementation of External Market Assistance Scheme; upward revision of rates of cess on jute manufactures to a maximum level for generating adequate resources for export promotion; Re-orientation of R&D activities under ongoing programme of jute diversification; setting up of National Centre for Jute Diversification; accelerated market promotion efforts by JMDC under UNDP-assisted jute sector programme.

Irregularities in purchase of subsidized yarn

1860. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that the yarn which is supplied to the powerloom and handloom units is not reaching the people who really need it;

(b) whether it is also a fact that it is being purchased by some associations at subsidized rates and it ends up in the open market; and

(c) if so, the action taken by Government in this regard?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA): (a) There is no control on the sale of yarn. No specific yarn is earmarked for powerloom and handloom units. There is no scarcity of yarn in the open market.